

NEW MEXICO ENERGY, MI TERALS and NATURAL RESOURCES DEPARTMENT

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Oil Conservation Division

August 11, 2000

Queen Sand Operating Company 13760 Noel Road, Suite 1030, L.B. #44 Dallas, Texas 75240-7336

Attn: Mr. James L. Hull, Jr.

RE: Injection Pressure Increase, Drickey Queen Sand Unit Waterflood Chaves County, New Mexico

Reference is made to your request dated August 10, 2000 to increase the surface injection pressure on the following wells. This request is based on a step rate tests conducted on July 18, 19 and 20, 2000. The results of the tests have been reviewed by my staff and we feel an increase in injection pressure on the following wells is justified at this time.

You are therefore authorized to increase the surface injection pressure on the following wells:

Well and Location	Maximum Surface Injection Pressure Water
DQSU Well No. 54 (API No. 30-005-21156) Unit P, Section 15, Township 14 South, Range 31 East	1784 PSIG
DQSU Well No. 55 (API No. 30-005-21157) Unit M, Section 15, Township 14 South, Range 31 East	1633 PSIG
DQSU Well No. 56 (API No. 30-005-21153) Unit D, Section 15, Township 14 South, Range 31 East	1556 PSIG